



UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

June 2025 Grand Jury

UNITED STATES OF AMERICA,

Plaintiff,

v.

PAUL A. BILZERIAN,
SCOTT ROHLEDER, and
IGNITE INTERNATIONAL BRANDS,
LTD.,

Defendants.

2:24-cr-569 (A) -MEMF

F I R S T
S U P E R S E D I N G
I N D I C T M E N T

[18 U.S.C. § 371: Conspiracy to Defraud the United States; 18 U.S.C. § 371: Conspiracy to Commit Wire Fraud and Fraud in Connection with Purchase and Sale of Securities; 18 U.S.C. § 1343: Wire Fraud; 15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5: Securities Fraud; 26 U.S.C. § 7206(2): Assisting in the Preparation of False Tax Return; 18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c): Criminal Forfeiture]

The Grand Jury charges:

COUNT ONE

[18 U.S.C. § 371]

[ALL DEFENDANTS]

A. INTRODUCTORY ALLEGATIONS

1. At times relevant to this First Superseding Indictment:

1 a. Defendant PAUL A. BILZERIAN was a resident of St.
2 Kitts and Nevis and previously an American businessman and corporate
3 raider. In 1989, defendant BILZERIAN was convicted of securities
4 fraud, among other charges, in the United States District Court for
5 the Southern District of New York and sentenced to four years'
6 imprisonment.

7 b. In 1989, the United States Securities and Exchange
8 Commission ("SEC") brought a civil action against defendant BILZERIAN
9 in the United States District Court for the District of Columbia
10 based on the same underlying conduct as the criminal case (the "SEC
11 Case"). In 1993, the SEC obtained civil judgments totaling
12 approximately \$62,337,600 against defendant BILZERIAN (the "SEC
13 Judgment"), including more than \$33 million in disgorgement and more
14 than \$29 million in prejudgment interest. Since then, defendant
15 BILZERIAN has evaded enforcement of the judgments.

16 c. In 2000, the United States District Court for the
17 District of Columbia found defendant BILZERIAN in contempt of the SEC
18 Judgment and appointed a receiver to collect defendant BILZERIAN's
19 assets to effectuate the SEC Judgment. In 2001, when defendant
20 BILZERIAN continued to evade the SEC Judgment, the same court held
21 defendant BILZERIAN in contempt of the receivership order. Since
22 then, the SEC has reported that it has only been successful in
23 recovering a net amount of approximately \$547,000 toward satisfaction
24 of the SEC Judgment. With interest, the amount of the SEC Judgment
25 now exceeds \$180 million.

26 d. D.B. was defendant BILZERIAN's son. D.B. was a
27 professional poker player and social media influencer who gained
28 notoriety for portraying his conspicuous lifestyle on social media,

1 including photographs and videos depicting him partying with scantily
2 clad women, jet-skiing, drinking, smoking, shooting large guns,
3 spending time on boats and beaches, and flying around the world in
4 private jets. D.B.'s primary residence was a mansion located on West
5 Patrick Lane in Las Vegas, Nevada (the "Patrick Lane Mansion").

6 e. Defendant SCOTT ROHLEDER was a resident of North
7 Carolina and Florida and a certified public accountant. Since at
8 least 2018, defendant ROHLEDER worked for defendant BILZERIAN and his
9 various business interests in a number of roles. Defendant ROHLEDER
10 also regularly assisted in the preparation of D.B.'s tax returns.

11 f. Defendant IGNITE INTERNATIONAL BRANDS, LTD. ("IGNITE")
12 was a publicly traded company that marketed itself as a "lifestyle
13 brand," selling vape pens, liquor, clothing, cannabidiol products,
14 and various other products inspired by the persona that D.B.
15 portrayed on his social media accounts. Beginning in 2019, shares of
16 defendant IGNITE were publicly traded over the counter in United
17 States securities markets under the symbol "BILZF" and constituted
18 "securities" within the meaning of the Securities Exchange Act of
19 1934. Soon after going public, defendant IGNITE completed a reverse
20 takeover with Ignite International Ltd. ("Ignite US"), formerly
21 Vulcan Enterprises Ltd., making Ignite US a wholly owned subsidiary
22 of defendant IGNITE. Defendant IGNITE primarily operated out of its
23 offices in Los Angeles, California, and Vaughan, Canada. Putatively,
24 D.B. was the Chief Executive Officer ("CEO"), founder, and Chairman
25 of defendant IGNITE. Defendant ROHLEDER held various roles at
26 defendant IGNITE, including Chief Financial Officer.

1 g. G.G.-P. was a resident of St. Kitts and Nevis and an
2 associate of defendant BILZERIAN. G.G.-P. was elected to defendant
3 IGNITE's board of directors in July 2020.

4 h. International Investments Ltd. ("International
5 Investments") was a business entity based in St. Kitts and Nevis and
6 originally incorporated in February 2007. Initially, International
7 Investments was nominally owned by V.V. and defendant BILZERIAN's
8 other son, A.B. Eventually, nominal ownership in International
9 Investments was transferred to Another Dimension Ltd., which was
10 owned by G.G.-P. In truth, G.G.-P. served as a straw owner for
11 International Investments, which operated at the direction of and for
12 the benefit of defendant BILZERIAN. Through International
13 Investments and other corporate entities, defendant BILZERIAN
14 funneled millions of dollars into defendant IGNITE.

15 i. Rohleder, Inc., was a Florida corporation operating
16 out of North Carolina. While defendant ROHLEDER was nominally the
17 president and director of Rohleder, Inc., he operated the company at
18 the direction of and for the benefit of defendant BILZERIAN.

19 B. CONSPIRACY TO DEFRAUD THE UNITED STATES

20 2. Beginning no later than in or about December 2018, and
21 continuing through at least September 26, 2024, in Los Angeles
22 County, within the Central District of California, and elsewhere,
23 defendants BILZERIAN, ROHLEDER, and IGNITE, knowingly and willfully
24 conspired with one another, and with others known and unknown to the
25 Grand Jury, to defraud the United States and agencies thereof,
26 namely, the SEC, by impeding, impairing, obstructing, and defeating
27 the lawful government functions of the SEC with respect to collection
28 of the SEC Judgment by deceitful and dishonest means.

1 C. MANNER AND MEANS OF THE CONSPIRACY

2 3. The object of the conspiracy was carried out, and was to be
3 carried out, in substance, as follows:

4 a. Defendant BILZERIAN would cause the incorporation of
5 businesses operated at his direction and for his benefit but
6 nominally under the ownership of other individuals, including but not
7 limited to International Investments, Vulcan Enterprises, Ltd., and
8 Veritas Investments (the "PAUL BILZERIAN Entities").

9 b. To avoid satisfying his obligation in the SEC case,
10 defendant BILZERIAN would falsely represent that he was indigent and
11 unable to pay the SEC Judgment, including through filing an
12 application to proceed in forma pauperis, claiming in that the only
13 asset he possessed was a purported federal tax refund claim, and
14 providing tax returns and financial disclosures omitting the
15 considerable assets he held in the PAUL BILZERIAN Entities.

16 c. To continue to deploy his considerable wealth in the
17 United States while evading the SEC Judgment, defendant BILZERIAN
18 would funnel millions of dollars of his assets to capitalize
19 defendant IGNITE while concealing his role in defendant IGNITE's
20 ownership and management through nominees.

21 i. Defendant BILZERIAN would invest millions of
22 dollars to acquire shares in defendant IGNITE through the PAUL
23 BILZERIAN Entities. With assistance from defendant ROHLEDER,
24 defendant BILZERIAN also would lend millions of dollars more to
25 defendant IGNITE through the PAUL BILZERIAN Entities, including more
26 than a dozen promissory notes totaling more than \$20 million for
27 short-term or convertible debt.

1 ii. Although D.B. was nominally the CEO of defendant
2 IGNITE, in truth, defendant BILZERIAN exercised de facto control at
3 defendant IGNITE. Together with defendant ROHLEDER, defendant
4 BILZERIAN would oversee operations, strategy, marketing, and
5 fundraising at defendant IGNITE, to the point of holding daily
6 management meetings. As a beneficial owner of defendant IGNITE,
7 defendant BILZERIAN also would exert significant influence in
8 decisions to hire and fire defendant IGNITE's executives and members
9 of the board of directors.

10 iii. At defendant BILZERIAN's direction, defendant
11 ROHLEDER would assist in deploying defendant BILZERIAN's assets to
12 capitalize defendant IGNITE, including by using entities controlled
13 by defendant ROHLEDER, including Rohleder, Inc., as a vehicle to hold
14 and transfer assets belonging to International Investments.

15 iv. Despite defendant BILZERIAN's prominent
16 leadership role at defendant IGNITE, defendants BILZERIAN, ROHLEDER,
17 and IGNITE would conceal his role, including by omitting his name in
18 publicly filed disclosures. Additionally, while defendant IGNITE
19 would publicly disclose the numerous promissory notes it entered into
20 with International Investments, it would conceal that International
21 Investments and its assets were controlled by and belonged to
22 defendant BILZERIAN and that defendant BILZERIAN was a major
23 shareholder in defendant IGNITE through shares held by the PAUL
24 BILZERIAN Entities.

25 d. After learning federal authorities had become aware of
26 defendant BILZERIAN's involvement in defendant IGNITE, defendant
27 IGNITE would seek to misleadingly downplay that involvement by
28 issuing a press release mischaracterizing defendants BILZERIAN and

1 ROHLEDER as "unpaid consultants" to defendant IGNITE. In truth, as
2 defendant IGNITE then knew, defendant BILZERIAN was the de facto head
3 and beneficial owner of defendant IGNITE, and defendant ROHLEDER was
4 a de facto executive of defendant IGNITE.

5 D. OVERT ACTS

6 4. On or about the following dates, in furtherance of the
7 conspiracy and to accomplish its object, defendants BILZERIAN,
8 ROHLEDER, and IGNITE, and others known and unknown to the Grand Jury,
9 committed the following overt acts, among others, in the Central
10 District of California and elsewhere:

11 Overt Act No. 1: On April 16, 2018, defendant BILZERIAN filed
12 a motion to proceed in forma pauperis in the SEC case in which he
13 listed \$740 in gross monthly wages, \$260 held in checking and savings
14 accounts, and a purported joint tax refund claim for \$8,243,125.

15 Overt Act No. 2: On July 3, 2018, defendant BILZERIAN sent an
16 email to the SEC offering to resolve the SEC Judgment by giving the
17 SEC 90 percent of a purported federal tax refund, which defendant
18 BILZERIAN stated "is essentially the only asset I have to work with."

19 Overt Act No. 3: On July 10, 2018, defendant BILZERIAN
20 submitted to the SEC an IRS Form 433-A in which he listed a gross
21 monthly income of \$2,738, cash holdings of \$10, no personal bank
22 accounts, no investments, no real property, no personal assets, and
23 no credit.

24 Overt Act No. 4: On May 16, 2019, defendant BILZERIAN caused
25 International Investments to make a \$3 million loan to Ignite
26 Distribution, LLC, a subsidiary of defendant IGNITE.

27 Overt Act No. 5: On July 15, 2019, defendant BILZERIAN sent
28 an email to the SEC asking the agency to stop garnishing his Social

1 Security payments, stating "As you know, I have filed bankruptcy
2 twice and a receiver confiscated and liquidated all my assets,
3 including my wages"

4 Overt Act No. 6: On June 8, 2020, defendant BILZERIAN caused
5 International Investments to make a \$5 million (Canadian or "CAD")
6 loan to defendant IGNITE.

7 Overt Act No. 7: On June 11, 2020, defendant BILZERIAN caused
8 International Investments to make a \$3.35 million loan to defendant
9 IGNITE.

10 Overt Act No. 8: On November 16, 2020, defendant BILZERIAN
11 caused International Investments to make a \$6.5 million CAD loan to
12 defendant IGNITE.

13 Overt Act No. 9: On January 27, 2021, defendant BILZERIAN
14 caused International Investments to make a \$3.2 million CAD loan to
15 defendant IGNITE.

16 Overt Act No. 10: On February 6, 2021, in an email to
17 defendant IGNITE's CFO, President, and defendant ROHLEDER, defendant
18 BILZERIAN directed defendant IGNITE's CFO to account for the \$4.63
19 million accounts receivable owed by International Investments for
20 defendant IGNITE's vape product inventory by offsetting a \$5 million
21 note obligation that defendant IGNITE owed to International
22 Investments.

23 Overt Act No. 11: On March 7, 2021, in an email to defendant
24 IGNITE's CFO, President, and defendant ROHLEDER, defendant BILZERIAN
25 directed defendant IGNITE's CFO that "All invoices and payments will
26 need to go to Rohleder, Inc. (Scott) which will collect the funds on
27 behalf of [International Investments]."
28

1 Overt Act No. 12: On May 24, 2021, defendant BILZERIAN caused
2 International Investments to make a \$1.5 million loan to defendant
3 IGNITE.

4 Overt Act No. 13: On October 14, 2021, defendant BILZERIAN
5 caused International Investments to make a \$1.886 million loan to
6 defendant IGNITE.

7 Overt Act No. 14: On December 21, 2021, defendant IGNITE
8 issued a press release misleadingly characterizing defendants
9 BILZERIAN and ROHLEDER as having served as “unpaid consultants” for
10 defendant IGNITE.

11 Overt Act No. 15: On a date before September 19, 2024,
12 defendant BILZERIAN wrote in an email to a journalist that he had
13 never owned shares in, or controlled, International Investments.

COUNT TWO

[18 U.S.C. § 371]

[ALL DEFENDANTS]

5. The Grand Jury realleges paragraph 1 of this First Superseding Indictment here.

A. INTRODUCTORY ALLEGATIONS

6. At times relevant to this First Superseding Indictment:

a. Beginning in or around October 2020, defendant IGNITE contracted with Company 1, a company located in Phoenix, Arizona, to serve as both a distributor and a third-party logistics company ("3PL") for defendant IGNITE's products, including vaping products, which largely were imported into the United States from foreign nations, including the People's Republic of China. In its role as 3PL, Company 1 would store defendant IGNITE's products in a designated 3PL section of Company 1's warehouse. When defendant IGNITE notified Company 1 of a purchase order placed by a customer, Company 1 would package and ship defendant IGNITE's products to the customer. By contrast, when Company 1 purchased defendant IGNITE products in its role as a distributor, Company 1 would submit a purchase order to defendant IGNITE and would move the purchased products from defendant IGNITE's 3PL section of the warehouse over to Company 1's designated section.

b. In or around November 2020, defendant IGNITE began ordering large shipments of vape products from China and storing them in its designated 3PL section of Company 1's warehouse. On or about December 15, 2020, Company 1 clarified to defendant IGNITE that Company 1 was storing the inventory in defendant IGNITE's 3PL section, not purchasing it. Defendant IGNITE's then-President

1 confirmed his understanding that Company 1 had not purchased this
2 inventory.

3 c. On or about January 16, 2021, in response to an email
4 from defendant BILZERIAN on behalf of defendant IGNITE, Company 1's
5 principal reiterated to defendants BILZERIAN and IGNITE that Company
6 1 had not purchased the large quantity of vape product inventory
7 being stored at Company 1's warehouse and that the inventory still
8 belonged to defendant IGNITE.

9 d. On or about January 19, 2021, defendant IGNITE issued
10 a press release stating, "Revenue grew steadily throughout the fourth
11 quarter beginning with a \$1.2 million in October and increasing to
12 \$3.7 million in November, followed by revenue of \$5.2 million in
13 December." After issuing its press release that included inflated
14 sales, defendant IGNITE's share price increased from approximately
15 \$0.42 to \$1.20 per share, representing a gain of approximately \$84
16 million in market capitalization.

17 B. OBJECTS OF THE CONSPIRACY

18 7. Beginning no later than in or about January 2020, and
19 continuing through September 26, 2024, in Los Angeles County, within
20 the Central District of California, and elsewhere, defendants
21 BILZERIAN, ROHLEDER, and IGNITE conspired with one another and with
22 others known and unknown to the Grand Jury to commit the following
23 offenses:

24 a. Wire Fraud, in violation of Title 18, United States
25 Code, Section 1343; and

26 b. Fraud in Connection with the Purchase and Sale of
27 Securities, in violation of Title 15, United States Code,
28

1 Sections 78j(b) and 78ff; and Title 17, Code of Federal Regulations,
2 Section 240.10b-5.

3 C. MANNER AND MEANS OF THE CONSPIRACY

4 8. The objects of the conspiracy were carried out, and were to
5 be carried out, in substance, as follows:

6 a. When Company 1 refused to certify to defendant
7 IGNITE's auditor that it had purchased the unsold inventory included
8 in defendant IGNITE's January 2021 press release, defendant
9 BILZERIAN, through foreign wire communications, would cause defendant
10 IGNITE to sell approximately \$4.63 million in vape product inventory
11 to International Investments in exchange for extinguishing an equal
12 amount of defendant IGNITE's debt that International Investments held
13 in various convertible notes.

14 b. Notwithstanding the sale of the vape product inventory
15 to International Investments, at defendant BILZERIAN's direction,
16 defendant IGNITE would continue to track the inventory and produce
17 invoices for subsequent sales of the vape products -- behavior
18 inconsistent with a bona fide sale to International Investments --
19 with all invoices and payments going through defendant ROHLEDER and
20 Rohleder, Inc.

21 c. Knowing that neither Company 1 nor International
22 Investments had purchased the vape product inventory in December
23 2020, defendant ROHLEDER would falsely inform defendant IGNITE's
24 auditor that the sale occurred in December 2020 and that
25 International Investments stepped into the shoes of Company 1 as
26 purchaser.

1 d. Defendants BILZERIAN, ROHLEDER, and IGNITE would
2 mislead investors into believing the sale to International
3 Investments was a profitable, arms-length transaction, by:

4 i. continuing to falsely backdate the sale of vape
5 products to 2020 in public statements;

6 ii. concealing the fact that International
7 Investments was a shell company controlled by defendant BILZERIAN,
8 and that defendant BILZERIAN also controlled defendant IGNITE; and

9 iii. failing to disclose that International
10 Investments was not a distributor or vendor of vape products and
11 therefore could only sell the inventory in competition with defendant
12 IGNITE, thereby undermining the latter's future sales.

13 D. OVERT ACTS

14 9. On or about the following dates, in furtherance of the
15 conspiracy and to accomplish its objects, defendants BILZERIAN,
16 ROHLEDER, and IGNITE, and others known and unknown to the Grand Jury,
17 committed the following overt acts, among others, in the Central
18 District of California and elsewhere:

19 Overt Act No. 1: On January 28, 2021, defendant BILZERIAN
20 stated on a phone call with Company 1 personnel and others that, if
21 Company 1 refused to take financial responsibility for defendant
22 IGNITE's vape product inventory, then defendant BILZERIAN would pay
23 for the vape product inventory out of his own pocket.

24 Overt Act No. 2: On February 6, 2021, in an email to
25 defendant IGNITE's CFO, President, and defendant ROHLEDER, defendant
26 BILZERIAN directed defendant IGNITE's CFO to account for the \$4.63
27 million accounts receivable owed by International Investments for
28 defendant IGNITE's vape product inventory by offsetting a \$5 million

1 note obligation that defendant IGNITE owed to International
2 Investments.

3 Overt Act No. 3: On March 7, 2021, in an email to defendant
4 IGNITE's CFO, President, and defendant ROHLEDER, defendant BILZERIAN
5 instructed defendant IGNITE's CFO that "[a]ll invoices and payments
6 will need to go to Rohleder, Inc. (Scott) which will collect the
7 funds on behalf of [International Investments]."

8 Overt Act No. 4: On April 6, 2021, in an email to members of
9 defendant IGNITE's auditor, defendant ROHLEDER claimed, as CFO for
10 International Investments, that latter had "stepped into the shoes of
11 [Company 1]" with respect to the purchase of vape products from
12 defendant IGNITE.

13 Overt Act No. 5: On April 30, 2021, defendant IGNITE publicly
14 released consolidated financial statements for 2019 and 2020, listing
15 total sales of approximately \$16,944,159 in 2020 and claiming that
16 International Investments "made purchases of product from Ignite of
17 \$5,878,244 in 2020."

COUNTS THREE AND FOUR

[18 U.S.C. § 1343]

[ALL DEFENDANTS]

10. The Grand Jury realleges paragraphs 1, 6, 8, and 9 of this First Superseding Indictment here.

A. THE SCHEME TO DEFRAUD

11. Beginning no later than in or about January 2021, and continuing through September 26, 2024, in Los Angeles County, within the Central District of California, and elsewhere, defendants BILZERIAN, ROHLEDER, and IGNITE, knowingly and with the intent to defraud, devised, participated in, and executed a scheme to defraud victim-investors as to material matters, and to obtain money and property by means of material false and fraudulent pretenses, representations, and promises.

12. The scheme to defraud operated, in substance, as described in paragraphs 8 and 9 of this First Superseding Indictment.

B. USE OF INTERSTATE AND FOREIGN WIRES

13. On or about the dates set forth below, within the Central District of California, and elsewhere, for the purpose of executing the scheme to defraud described above, defendants BILZERIAN, ROHLEDER, and IGNITE transmitted and caused the transmission of the following items by means of wire communication in interstate and foreign commerce:

COUNT	DEFENDANTS	DATE	INTERSTATE OR FOREIGN WIRE TRANSMISSION
THREE	BILZERIAN, ROHLEDER, IGNITE	02/06/2021	Email from defendant BILZERIAN to defendant IGNITE's CFO, President, and defendant ROHLEDER, with subject line "Company 1 Reconciliation,"

COUNT	DEFENDANTS	DATE	INTERSTATE OR FOREIGN WIRE TRANSMISSION
			directing CFO to account for International Investments' purchase of vape inventory by offsetting debt that defendant IGNITE owed to International Investments.
FOUR	BILZERIAN, ROHLEDER, IGNITE	03/07/2021	Email from defendant BILZERIAN to defendant IGNITE's CFO, President, and defendant ROHLEDER, with subject line "Aspire/II Sales," directing that "All invoices and payments will need to go to Rohleder, Inc. (Scott) which will collect the funds on behalf of II."

COUNT FIVE

[15 U.S.C. §§ 78j(b), 78ff; 17 C.F.R. § 240.10b-5]

[ALL DEFENDANTS]

14. The Grand Jury realleges paragraphs 1, 6, 8, and 9 of this First Superseding Indictment here.

A. THE SCHEME TO DEFRAUD

15. Beginning no later than in or about January 2021, and continuing through September 26, 2024, in Los Angeles County, within the Central District of California, and elsewhere, defendants BILZERIAN, ROHLEDER, and IGNITE, knowingly and willfully, directly and indirectly, by the use of the means and instrumentalities of interstate commerce and the mails, in connection with the purchase and sale of defendant IGNITE's securities, used and employed manipulative and deceptive devices and contrivances by: (1) employing a scheme to defraud; (2) making untrue statements of material facts and omitting to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and (3) engaging in acts, practices, and courses of business which operated and would operate as a fraud and deceit upon purchasers and prospective purchasers of defendant IGNITE's securities.

16. The scheme to defraud operated, in substance, as described in paragraphs 8 and 9 of this First Superseding Indictment.

B. EXECUTION OF THE FRAUDULENT SCHEME

17. On or about April 30, 2021, within the Central District of California, and elsewhere, for the purpose of executing the scheme to defraud described above, defendants BILZERIAN, ROHLEDER, and IGNITE directly and indirectly caused the use of a means and instrumentality

1 of interstate commerce in connection with the purchase and sale of
2 securities, namely, the transmission of a press release published on
3 Canada's System for Electronic Document Analysis and Retrieval
4 falsely representing that "International Investments had principal
5 and interest due to it of \$10,719,785 as of December 31, 2020 and
6 made purchases of product from Ignite of \$5,878,244 in 2020," by
7 means of interstate and international wire communication.

COUNTS SIX THROUGH EIGHT

[26 U.S.C. § 7206(2)]

[DEFENDANT ROHLEDER]

18. The Grand Jury realleges paragraph 1 of this First Superseding Indictment here.

19. In or around May 2018, D.B. decided to purchase the Patrick Lane Mansion. Ignite US paid approximately \$8.5 million in cash for the property and, during escrow, assigned the property to a single-member LLC owned by D.B. ("LLC 1").

20. In or around November 2018, with the initial public offering of defendant IGNITE looming, defendant ROHLEDER drafted two agreements, both backdated to June 2018, concerning the Patrick Lane Mansion. One was a promissory note stating that Ignite US loaned LLC 1 approximately \$8.5 million with an interest rate of 5 percent. The second was a lease agreement to give the appearance that LLC 1 leased the Patrick Lane Mansion to Ignite US for a monthly rent of approximately \$35,000. As defendant ROHLEDER intended, these two agreements effectively cancelled each other out, as 5 percent interest on a \$8.5 million loan amounts to roughly \$35,000 per month. By making it appear that D.B. was renting the Patrick Lane Mansion back to Ignite US, defendant ROHLEDER obviated the need for D.B. to make monthly payments to repay Ignite US.

21. Defendant ROHLEDER assisted D.B. in the preparation of his personal tax returns for tax years 2018, 2019, and 2020. Despite knowing that the Patrick Lane Mansion was D.B.'s primary residence during this period, defendant ROHLEDER knowingly provided D.B.'s tax preparer with financial statements for LLC 1 for tax years 2018, 2019, and 2020, that reported rental income and interest expenses in

1 connection with the Patrick Lane Mansion. As a result, the Schedules
2 E attached to D.B.'s Forms 1040 reported rental income, interest
3 expenses, and/or depreciation for the Patrick Lane Mansion, resulting
4 in improper deductions in D.B.'s tax returns. For D.B.'s home
5 address, defendant ROHLEDER provided D.B.'s tax preparer with an
6 address that corresponded to a hangar at Harry Reid International
7 Airport in Las Vegas, Nevada.

8 22. To repay the promissory note between LLC 1 and Ignite US,
9 defendant ROHLEDER drafted a Share Purchase Agreement dated November
10 20, 2018 between D.B. and Ignite US, whereby D.B. sold 2.5 million of
11 his Ignite US shares back to Ignite US at the price of \$4.00 per
12 share for a total of \$10 million. Under the agreement, approximately
13 \$8.7 million of the sale proceeds were used to pay off the promissory
14 note to LLC 1 and its interest. Because D.B. first acquired the
15 Ignite US shares no earlier than December 28, 2017, the stock sale
16 constituted a short-term capital gain that was supposed to be taxed
17 as ordinary income. Upon realizing this, and despite knowing that
18 the stock sale occurred in November 2018, defendant ROHLEDER
19 knowingly and falsely informed D.B.'s tax preparer that the stock
20 sale occurred on December 30, 2018 so that it would appear to qualify
21 as a "long-term" capital gain -- that is, capital held for more than
22 one year -- which, for D.B., was taxable at a lower rate than
23 ordinary income.

24 23. On or about the dates set forth below, in Los Angeles
25 County, within the Central District of California, and elsewhere,
26 defendant ROHLEDER willfully aided and assisted in, and procured,
27 counseled, and advised, the preparation and presentation to the
28 Internal Revenue Service, under, and in connection with a matter

arising under, the internal revenue laws, of the tax returns for taxpayer D.B. and other documents set forth below, which were fraudulent and false as to material matters, and thereby resulting in losses over the three years to the Internal Revenue Service of approximately \$872,257:

COUNT	CALENDAR YEAR	FILING DATE	TAX RETURNS CONTAINING MATERIALLY FALSE ITEMS
SIX	2018	08/08/2019	A 2018 United States Individual Income Tax Return, Form 1040, including (1) a fraudulent Schedule E form wherein the Patrick Lane Mansion is falsely alleged to be "rental real estate" and have been subject to 214 "fair rental days"; and (2) a fraudulent Form 8949 listing a false sale date of December 30, 2018, for shares of Vulcan Enterprises Ltd.
SEVEN	2019	07/15/2020	A 2019 United States Individual Income Tax Return, Form 1040, including a fraudulent Schedule E form wherein the Patrick Lane Mansion is falsely alleged to be "rental real estate" and have been subject to 365 "fair rental days"
EIGHT	2020	10/15/2021	A 2020 United States Individual Income Tax Return, Form 1040, including a fraudulent Schedule E form wherein the Patrick Lane Mansion is falsely alleged to be "rental real estate" and have been subject to 366 "fair rental days"

FORFEITURE ALLEGATION

[18 U.S.C. § 981(a)(1)(C) and 28 U.S.C. § 2461(c)]

24. Pursuant to Rule 32.2 of the Federal Rules of Criminal Procedure, notice is hereby given that the United States of America will seek forfeiture as part of any sentence, pursuant to Title 18, United States Code, Section 981(a)(1)(C) and Title 28, United States Code, Section 2461(c), in the event of any defendant's conviction of any of the offenses set forth in Counts One through Five of this First Superseding Indictment.

25. Any defendant, if so convicted, shall forfeit to the United States of America the following:

a. All right, title, and interest in any and all property, real or personal, constituting, or derived from, any proceeds traceable to the offense; and

b. To the extent such property is not available for forfeiture, a sum of money equal to the total value of the property described in subparagraph (a).

26. Pursuant to Title 18, United States Code, Section 981(a)(1)(c), as incorporated by Title 28, United States Code, Section 2461(c), any defendant, if so convicted, shall forfeit substitute property, up to the total value of the property described in the preceding paragraph if, as the result of any act or omission of that defendant, the property described in the preceding paragraph, or any portion thereof: (a) cannot be located upon the exercise of due diligence; (b) has been transferred, sold to or deposited with a third party; (c) has been placed beyond the jurisdiction of the Court; (d) has been substantially diminished in value; or (e) has

1 been commingled with other property that cannot be divided without
2 difficulty.

3
4 A TRUE BILL

5
6 /s/_____
7 Foreperson

8 BILAL A. ESSAYLI
9 Acting United States Attorney

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11
12 JOSEPH T. MCNALLY
13 Assistant United States Attorney
14 Acting Chief, Criminal Division

15 ALEXANDER B. SCHWAB
16 Assistant United States Attorney
17 Deputy Chief, Criminal Division

18 JASON C. PANG
19 Assistant United States Attorney
20 Transnational Organized Crime
21 Section

22 NISHA CHANDRAN
23 Assistant United States Attorney
24 Major Frauds Section

25 DAVID C. LACHMAN
26 Assistant United States Attorney
27 Terrorism and Export Crimes Section
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